

**MINUTES OF SPECIAL MEETING  
OPEN SESSION  
ILLINOIS GAMING BOARD  
JULY 16, 2008  
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Wednesday, July 16, 2008 a Special Meeting of the Illinois Gaming Board ("Board") was held in the conference room of the Gaming Board Offices on the 3<sup>rd</sup> floor at 160 N. LaSalle, Chicago, Illinois.

On Wednesday, July 16, 2008 at 12:30 p.m. the following Board Members were present: Chairman Aaron Jaffe, Members Charles Gardner, Eugene Winkler, Joseph Moore and James Sullivan.

At 12:30 p.m. on Wednesday July 16, 2008, Member Moore called the meeting to order. Pursuant to Section 2(c), paragraphs (1), (4), (11), (14) and (21) of the Open Meetings Act and Section 6(d) of the Riverboat Gambling Act, Member Gardner moved that **the Board retire to Closed Session to discuss the items listed under Closed Session on today's agenda and relating to the following subject matters:**

1. **Pending Litigation and matters involving probable litigation;**
2. **Investigations concerning applicants and licensees;**
3. **Personnel matters; and**
4. **Closed session minutes.**

Roll call was taken. The Board remained in Closed Session until approximately 1:00 p.m. At 1:15 p.m. Open Session began in the 15<sup>th</sup> Floor Press Room at the James R. Thompson Center.

**CHAIRMAN'S COMMENTS** – no motion

The Chairman welcomed everyone for the announcement and introduction of the Investment Banker. The Chairman gave an outline of the history of the 10<sup>th</sup> license from 2005 when the present Board was appointed. The Chairman stated that once the revocation became final, the Board and staff were able to secure the financial advisor Credit Suisse and are free to move forward with the highest degree of integrity.

**BOARD MEMBER COMMENTS** – no motion

**ADMINISTRATOR'S COMMENTS** – no motion

Administrator Ostrowski went on to explain that through the procurement process, the Board, staff, and the Department of Revenue were able to enter into an agreement with Credit Suisse and its investment banking team, offering advice and direction in re-issuing the 10<sup>th</sup> license. The project manager for the Gaming Board will be IGB Chief Legal Counsel Michael Fries and the

project manager from Credit Suisse will be David Berman. Periodically the public will be provided with updates throughout the process.

Chief Legal Counsel Fries stated that Credit Suisse has a lot of knowledge and energy and we look forward to working with them.

The Credit Suisse team introduced themselves and their background. Steven Koch, is a senior officer. The firm is a leading global financial service firm, with asset managers world-wide. The global investment banking division will handle assistance with the re-issuance of the 10<sup>th</sup> license. A senior team of bankers will take the lead on the project. Steven Koch will be supervising the transaction and has 28 years of experience. Mr. Koch is a life long resident of Illinois. Dave Berman runs the global gaming investment banking section of the team. Mr. Berman went on to explain that gaming is one area of their expertise. Charles Protell along with David Berman handles gaming investment banking and is based out of Los Angeles. David Luwisch is a director within the merger and acquisition group. The group discussed their experience and how the process will occur.

Mike Fries stated that the public will have the opportunity to comment once the three applicants have been named.

Chairman Jaffe opened the floor to a question and answer period.

A reporter asked when a winner will be announced. Steven Koch stated that the expectation is that a winner will be announced by the end of the year.

A reporter asked when suitability investigations will be done. Mike Fries stated that a suitability investigation will take place after the winner is announced. The same reporter also asked what if the winner is not found suitable. Chief Counsel Fries stated that the next highest and best proposal in line would be subject to a suitability investigation.

A reporter asked about the use of a temporary facility once the suitability investigation is complete. Chief Counsel Fries stated that a temporary facility is possible until the permanent structure is built. It is possible pursuant to the statute. Steven Koch stated that it will be up to the creativity of the bidder to maximize the value of the 10<sup>th</sup> license.

A question was asked as to the location of the 10<sup>th</sup> license. Chief Counsel Fries stated that the location can be any where in the State but not on the shores of Lake Michigan.

A reporter posed the question if Rosemont is able to be a location for the 10<sup>th</sup> license. Chief Counsel Fries stated that the Statute allows any municipality to be a location for the 10<sup>th</sup> license as long as it is not on the shores of Lake Michigan.

On August 12<sup>th</sup> the Board will announce when proposals are due. Late September or early October are likely due dates.

The Chairman was asked why this process for the 10<sup>th</sup> license would be different from the last time when eventually no one received the license. The Chairman stated that the 10<sup>th</sup> license is no longer in litigation and that is why we can now have the investment banker to assist with the process.

A reporter from the audience asked what fee Credit Suisse is receiving. Mr. Koch stated that the fee is 1% of the sale price with a cap of \$4M.

An unknown reporter asked if completed applications will be made available to the public. Chief Counsel Fries stated that the applications themselves will not be made available. They are statutorily protected by the Act from distribution but the Gaming Board will summarize with the help of the Credit Suisse team the particular components. Primarily when the applications are opened the proposed bidder is identified, whether or not they are a corporation, joint venture, bid amount and potentially the location.

A reporter from the audience asked what the price amount will be and will it be similar to what was bid last time in the process? Mr. Berman stated that the criteria is both quantitative and qualitative. The actual price of the license is an important component, along with numerous other components; the potential stream of revenue for the State, coupled with support for communities and the State itself. The ability of the applicant, the experience, the capital structure, the ability to finance. The opening bid price is only one of the factors to be considered.

Chief Counsel Fries stated that Member Gardner wanted the public to be informed of the difference in why this process will come to a conclusion this time. There is a difference from where we sit today as opposed to the past. We are not in Bankruptcy, we are not restricted to the procedure that was set forth by the Bankruptcy Court. It is not as contentious. There is not a revocation case that is preceding parallel to a Bankruptcy case. There are less parties involved in this process and hopefully that will lead to a less contentious process.

A reporter asked when will the location of the actual structure be made known to the public. Chief Counsel Fries stated as part of the application, the applicants will have to identify the location and present evidence that they have obtained local approval prior to the submission of the application.

An unknown reporter asked if presentations will be made to the Board. Mr. Berman stated that Credit Suisse will be working with each of the parties. The bidders will be making some form of presentation to the Gaming Board and Credit Suisse but no formal presentations to the public.

A reporter from a radio station asked how the applications would be made available. Mr. Berman stated that Credit Suisse made contact with interested parties world wide and the license applications would be sent out to interested parties. The actual applications will be available on July 18, 2008. Credit Suisse contacted international investors, private equity firms, financial sponsor firms as well as others.

No one will be excluded. We are looking for the highest caliber of investors who will maximize the value of the license to the State of Illinois.

Rob Olmstead from the Daily Herald asked, with the way the economy is today - will that have an impact on the dollar value of the license. Mr. Berman stated that there are no expectations since various components make up value, price being one of them. There are many ways that interested parties can maximize the value for the State.

A one step process means that every applicant must do what is effectively necessary at the time of the application then the process is narrowed down to the three applicants.

A reporter asked if there is any way for the public to know who submitted the bids. Chief Counsel Fries stated that once the application process is closed, all bidders will be announced, the location and the bid amount.

License applications will be made available July 18, 2008. On August 12, 2008 an application due date will be announced. All the applications will be reviewed by the end of September or early October. The date of the announcement of the three final bidders will be made by the end of the calendar year.

The team from Credit Suisse stated that they would be available for questions after the meeting was adjourned.

At 1:55 p.m. Member Gardner motioned for the meeting to adjourn while Member Winkler seconded the motion.

Respectfully submitted,

Mary C. Boruta  
Secretary to the Administrator